

**ARIZONA STATE PARKS BOARD  
COCHISE COLLEGE  
1025 STATE ROUTE 90, BENSON, AZ  
OCTOBER 16, 2003  
MINUTES**

**Board Members Present:**

Suzanne Pfister, Chairman  
John Hays  
Elizabeth Stewart  
William Porter  
Gabriel Gonzales-Beechum  
William Cordasco

**Board Members Absent:**

Mark Winkleman

**Staff Present:**

Kenneth E. Travous, Executive Director  
Jay Ream, Assistant Director, Parks  
Jay Ziemann, Assistant Director, Partnerships and External Affairs  
Debi Busser, Executive Secretary  
Janet Hawks, Chief of Operations  
Jean Emery, Chief of Resources Management  
Sue Hilderbrand, Acting Chief of Grants  
Ellen Bilbrey, Public Information Officer  
Amy Hartle, Administrative Assistant, Parks  
Art Austin, Park Manager, Tombstone Historic State Park  
Lee Eseman, Park Manager, San Rafael  
Dr. Rickard Toomey, Cave Resource Manager, Kartchner Caverns State Park

**Attorney General's Representative:**

Joy Hernbrode, Assistant Attorney General

**A. CALL TO ORDER - ROLL CALL**

Chairman Pfister called the meeting to order at 9:00 a.m. Roll Call of Board Members indicated a quorum was present. Chairman Pfister noted that Board Member Mark Winkleman had hoped to participate via conference call; however, there was no phone line available in the meeting room.

**B. INTRODUCTION OF GUESTS**

Chairman Pfister requested the Parks Board members and Arizona State Parks (ASP) staff introduce themselves and invited any members of the public who wished to do so as well.

## C. PUBLIC COMMENT

Chairman Pfister noted that she had received three requests to speak from the public. Because they all dealt with the same issue, Chairman Pfister moved to Agenda Item G.2.a.

## G. PARTNERSHIPS AND EXTERNAL AFFAIRS

### 2. Board Actions

- a. **Consider amending the Scope of Work for Lake Havasu City State Lake Improvement Fund (SLIF) Grant #780121 for London Bridge Beach Acquisition** – Staff does not recommend amending the scope of work for SLIF grant #780121 for the Lake Havasu City London Bridge Beach Acquisition project.

Mr. Bob Whelan, Mayor of Lake Havasu City (LHC), addressed the Board. He stated that he and others from LHC were present at this meeting to address an amendment to a SLIF grant. He noted that Mr. Stan Usinowicz, LHC Community Development, had a short presentation to make to the Board that described the projects pertaining to the history of their parks. As the Board may know, at one time all of the beach front in LHC was ASP's land. Under a land swap it became the property of the Arizona State Land Department (ASLD).

Mr. Bill Mulcahy, Lake Havasu Parks & Recreation, addressed the Board. He referred to a map of LHC dating back to the 1960s that showed ASP land at that time. When the Arizona Project took place, some land trades occurred. He pointed out Thompson Bay, Body Beach, Rotary Park, and London Bridge Beach. He then referred to, basically the same map, with the same outline, but with a channel cut in. London Bridge Beach, Rotary Beach, and Body Beach were all one piece of ground prior to that channel. It was contiguous ASP land. The channel was cut in, the land swap occurred, and ASLD received a lot of the property and some went to private owners. He pointed out the current London Bridge Beach (which they were just allowed to purchase), Rotary Beach, and Body Beach.

Mr. Mulcahy stated that in September 2001 the Board awarded LHC a SLIF grant for \$5.1 million. In March 2003 LHC went to the AORCC board to see if they could amend the London Bridge Beach purchase to use some of the remaining money (if any) for purchasing Body Beach. They received a lot of positive feedback from AORCC at that time. AORCC said they did not know at that time what the purchase price of London Bridge Beach would be. They suggested LHC purchase London Bridge Beach and then come back to AORCC to request the remaining money, if any.

Mr. Mulcahy stated that in August 2003 LHC won the auction from ASLD and London Beach Bridge came in at \$3.6 million. In October 2003 LHC went back to AORCC and requested an amendment to the original SLIF grant. That was last Thursday. On Monday they received a packet from ASP staff that recommended "No" to the amendment and that LHC should have another proposal for the Body Beach purchase. Part of that conversation was that Body Beach was not contiguous; it was a different project. LHC would submit to the Board that originally, in the 1960s, it was all contiguous until the channel was cut.

Mr. Mulcahy added that, based on the positive conversations that had taken place between ASP staff and LHC staff, LHC entered into an agreement with the developer at Body Beach. The developer has 44 acres and LHC is looking at 17 acres. They entered into an agreement with the developer to jointly plan that land because it has to go before Planning and Zoning and the City Council for the rezoning so that the 17 acres can be parks land while the developer's acreage would be rezoned Commercial Resort. He noted that part of their Mission was to make Body Beach an extension of their 44-acre Rotary Park.

Mr. Mulcahy referred to another map that showed some of the planning that has taken place, based on conversations and working with the developer. He pointed out Picadilly Point and Rotary Park. He showed where they would initially have a parking area. Picadilly Point would all be developed. He pointed out a road that leads out of Rotary Park and goes into Body Beach. This is a road that is presently cut in for the developer (they used to enter Body Beach off of Highway 95). The State Highway Department put an end to that road quickly by putting in curbs and gutters. People now enter off of Mulberry and go into Body Beach on an unimproved road.

Mr. Mulcahy added that LHC would also hook up utilities to the corner of the developer's property and would also go into its property with sewer, water, and electricity. Planning has been in progress since March 2003. Then they discovered they may have to do another grant proposal, perhaps using Heritage Fund money. LHC already has two projects on the drawing board to use that Heritage Fund money. They were always under the impression that the amendment was the way to go.

Mr. Stan Usinowicz, LHC Community Development, addressed the Board. He stated that LHC is ready to go with this SLIF-appropriate project. This corridor of use for boating recreation people already has seawalls; it has beaches that are highly popular with boaters in Arizona as well as California. The last numbers that he saw indicate that 50% of the boating opportunities in the State of Arizona occur in Mohave County. LHC is ready to go. They have been in planning talks with the developer and with his representative. The developer has some engineering ready to go. Once they have it ready, they will submit the Rezoning Application. That ensures the next step to work with ASLD to go to auction on this particular parcel. ASLD is aware of their process; they are poised and ready to start the appraisal process and then the auction process as soon as LHC has their planning package put together for them. The rezoning is under way.

Mr. Usinowicz pointed out that, in addition to boating recreation, seawalls, ramadas, trails, and restrooms that would be on this particular piece of ground, shoreline recreation, shoreline acquisition, and shoreline preservation have been a State and City Council goal for the last decade. It is also a community value and part of its character. They also believe it is an appropriate use of SLIF money. They generate a lot; they also take care of boating recreation and are a prime source of recreational opportunities on the Colorado River.

Mr. Porter asked what would happen if, in fact, this amendment is not approved. He asked if this property is at risk of ending up in private hands. And if so, whose? He is concerned about what will happen if the amendment is not approved.

Mr. Usinowicz responded that the developer is three years into a planning release on that property with ASLD. LHC purchased his interest for \$200,000 in October 2002.

Chairman Pfister asked if Mr. Usinowicz is saying that if it went to auction the developer might buy it.

Mr. Usinowicz responded that he couldn't address that question.

Ms. Maureen George, LHC, added that the planning release was on the entire parcel (44 acres). LHC bought out the portion that covers these 17 acres in an effort to protect those 17 acres at least while they are going through the planning process. If the city does not go forward and purchase that 17 acres, she believes there is a very good chance that it would all go in the private developer's hands. One of the reasons for that is that ASLD is charged with getting the highest value for their land. ASLD has flat out told her that they will only keep that piece aside as park land if they, in fact, see that there will be a high dollar amount out of the commercial side of it and that they would only auction it as a package. ASLD will not just auction the 17 acres for LHC as a park. They will only do this if there is commercial development on the entire parcel.

Mr. Porter asked what the timeframe is on the lease.

Ms. George responded that the planning lease itself is 10 years, and the developer is just finishing up his third year. However, ASLD can auction it at any time. The 10 years is the maximum amount of time they can hold it without going to auction.

Mr. Porter asked what effect LHC's purchase of their lease has on this property.

Ms. George responded that all it really gives the city is the opportunity to continue to allow it to be used for recreational purposes. When the developer acquired the planning lease on the 44 acre parcel, he roped off what had traditionally been an area used by the public, particularly the jet skiers. They hold an International Jet Ski Race in LHC. That was the primary area where the Jet Ski racers practiced. When the developer roped that area off for liability reasons, it caused quite an uproar in the community. In an effort to at least keep that area accessible to the public while the city tried to find another plan, they entered into a planning lease.

Mayor Whelan again addressed the Board. He stated that, as the Board could see from the presentation, LHC is in the unusual position of having to purchase their shoreline park system from ASLD, which until the late 1980s they always believed would be State Parks. LHC has proceeded diligently to do that by first developing Rotary Park and then London Bridge Beach. LHC now has active applications to purchase Body Beach, Black Rock (the area to the south of Body Beach), and Campbell Cove (north between Windsor Beach State Park and the National Wildlife Refuge). LHC has begun the application to ASLD to begin the process to bring these properties to auction. Those purchases, along with Windsor Beach State Park and the Contact Point area, would essentially complete their mainline park system that serves the boaters as well as our citizens. In September 2001 ASP awarded LHC \$5.1 million in a SLIF grant to purchase London Bridge Beach Park. In 2002 LHC believed that the purchase price of London Bridge Beach would be less than the grant amount. They began informal discussions with Director Travous about applying any left over funds to the purchase of other segments of their park system. They were encouraged to submit an amendment and reconfirmed that in a meeting with Director Travous in March of this year. They are

sympathetic to the needs of the State Parks system. As the Board knows, LHC lobbied the legislature vigorously last session to preserve both the SLIF program and the General Fund operating money for the department.

Mayor Whelan added that they, too, have major budget pressures. They are in the midst of a half-billion dollar expansion of their sewer system and their water treatment system. They hope the Board recognize the importance of their shoreline parks to the boating public and to our citizens. LHC proceeded in good faith to provide these facilities relying on the department's advice as to the methods. They now ask the Parks Board to support their request and vote to allow LHC to apply their entire grant to the purpose for which it was intended. He thanked the Board for the opportunity to speak.

Chairman Pfister stated that she wanted to hear from staff on this issue.

Mr. Travous stated that he had a few points to make. LHC did meet with him on March 12. The Mayor and Mr. Williams met in his office at 11:00 a.m. and asked him at that point in time if he supported this. He responded that he would be glad to entertain it. There was a caveat at that time. In March of last year staff were in the midst of serious budget battles. If the budget went downhill, his support would be gone. They understood that.

Mr. Travous stated that another point is that, technically, when ASP offers a grant that grant is for specific things and for a specific amount of money. For LHC to continue they need to do something positively (not administratively) in order for them to affect the change. They cannot just submit an Amendment. The Board is essentially the only body that can amend this contract and has the authority to do so.

Chairman Pfister responded that it sounds like AORCC thought they could affect something that large. She tried to find the guidelines that said AORCC only has authority to approve changes of 10%.

Mr. Travous responded that it was decided in the past that if a change were significant, it would have to go back to the Board. If an applicant were simply asking for an extension, it could be done administratively. Somewhere in the policy a "significant change" is described as an increase of 10% or more of the original amount. That meant that the Board awards money to an applicant – say \$100,000. They came back and say the project only cost them \$90,000 and request the remaining \$10,000 to purchase picnic tables for that property. In that case, AORCC could approve it. This is completely different in that the same money is not being applied on the same land.

Chairman Pfister questioned why staff or AORCC didn't tell them this is substantially different, a completely different piece of land. It seems that that would have been the point to raise the red flag and say that this doesn't apply.

Mr. Travous responded that this is not something that has happened many times in the past. It gets lost in the history of the organization because they don't deal with it much.

Mr. Hays asked whether there has ever been an amendment requested in this amount before. It is almost 50%.

Mr. Travous responded that he has no knowledge of such a request.

Mr. Porter stated that it sounds like, because of that, LHC were given less than accurate information about what they should do.

Ms. Hilderbrand responded that at AORCC's meeting in April, LHC submitted their request to use the extra money for Body Beach. At that meeting, the discussion as to whether or not it is a good project never took place. At that time, London Bridge Beach had not been purchased. The point was moot. AORCC did not want to deal with this issue until the purchase was completed. At that time LHC could come back to discuss this issue.

Ms. Hilderbrand stated that at their October meeting, AORCC did not make a decision.

Ms. Stewart asked if AORCC declined to hear the discussion in April because it was uncertain how much London Bridge Beach would cost.

Ms. Hilderbrand responded that at that time no one knew the appraised value of London Bridge Beach and the auction had not occurred. It was really a matter of not knowing if there would be extra money left over after the acquisition.

Chairman Pfister asked if AORCC would have mentioned the 10% clause and that if it went over 10% it would have to come before the Parks Board.

Ms. Hilderbrand responded that that issue was not discussed.

Mr. Hays noted that AORCC could not make that decision anyway because it is more than 10%.

Ms. Hilderbrand added that when dealing with this kind of an amendment, AORCC is the Board's advisory committee and must come to this Board. Regardless of what AORCC said at that meeting, it must come to this Board anyway.

Chairman Pfister stated that her concern is whether the LHC Council knew that. It sounds like their belief was that AORCC could make that determination. Nothing was ever communicated to them that, in fact, AORCC could not make that decision.

Ms. Hilderbrand responded that every grant recipient receives a copy of the Grant Guidelines.

Chairman Pfister noted that it does say, "complete scope change". She thought that if it is a complete scope change a separate proposal is wanted.

Ms. Hilderbrand responded that the point of this policy is that the Parks Board has to approve a complete scope change.

Ms. Hilderbrand added that staff researched the history of the ASP grant program relating to amendments. The Parks Board has never approved this kind of amendment.

Ms. Hilderbrand reported that the original grant award in September 2001 was \$5.1 million to purchase London Bridge Beach. That grant award was based on a restrictive competitive market analysis. The "highest and best use" was applied. This number was not based on an appraised value. In fact, last month this Board did the very same thing with the City of Phoenix in its Growing Smarter application. This Board made \$18 million available to the City of Phoenix depending on what the project cost. Once those project costs are determined, the City of Phoenix will be reimbursed for those costs. It does not say the Board is giving them \$18 million. They will be reimbursed for

the cost of the project up to \$18 million. That, basically, is what the Board did in September 2001.

Ms. Hilderbrand added that AORCC did not want to deal with this issue until they knew the true cost of this project. It is now known that there is \$1.5 million left over. Staff is not recommending approving this Amendment for three reasons:

1. Staff view this as a very separate project. It is a completely different project under the definition of a project;
2. Staff believe this project has never been evaluated by staff or this Board;
3. ASP is required by the competitive grants statute to evaluate all projects in relationship to all other projects that are eligible to receive this money. This is state statute.

Ms. Hilderbrand stated that staff are not saying this is a good or bad project. Staff are saying this project should be evaluated with other SLIF grant projects eligible to receive this money.

Mr. Gonzales-Beechum asked what the significance is of this project and what impact would the Board's decision have on other similar projects in the future based on the budget. He asked where it fits in with the needs of other state parks.

Ms. Hilderbrand responded that, in terms of what this would do to future grant awards, she received an informal phone call from the city of Phoenix. They believe the appraisal will be significantly lower than the \$18 million the Board made available to them. If the Board approves LHC's Amendment, it will be a precedent that will allow the City of Phoenix to use that money in ways the Board may not wish it to be used.

Chairman Pfister stated it does set a precedent in the sense that the Board has said it has a competitive grant program, and other very good projects were not funded perhaps because of a lack of available money. The Board struggled with some of them because it wanted to fund them because they were good projects. She is concerned about sending the message that a grant recipient can go outside of the process and at the Board's whim still be funded. She has seen staff and this Board really work hard to make this process as fair and equitable as possible so that if everyone follows the rules, shows up to the workshops, works with staff, and receives a high rating they stand a good shot at funding. This appears to be outside that process. This is a major concern for her.

Mr. Gonzales-Beechum asked what the significance is of this project versus other projects.

Mr. Travous responded that staff do not know because it has not been evaluated.

Mr. Gonzales-Beechum asked why this project would be different from any other project.

Mr. Travous responded that the budget issue could be discussed for some time. The agency is not in very good shape. SLIF has been raided for the last three years. There was the \$700,000 from the budget veto that was not replaced.

Ms. Stewart stated that she sees this as having absolutely nothing to do with the budget situation. It is solely to do with the integrity and legality of the grant program. She sees

it as consistent to not approve this Amendment in spite of whatever sympathies Board members may have for this being a good project and worthy of funding. It has not been evaluated. She has concerns on that level. It is the same sort of thing as a recent applicant who was not granted money in a prior cycle because their score was low and there wasn't enough money. They wanted to come in ahead of the other applicants and have the Board make a decision on their application. The Board declined to do that because this is a competitive process and they had to compete against other applicants. This is different from an Amendment. The Board has approved Amendments before. But those amendments have been on the same contract site. This is a totally different project site. The kind of grants the Board has approved for amendment where there has been left over money is, for example, where there is a park and the original proposal was for two ramadas and there was an extra \$10,000 left over and the applicant requests that money for a third ramada on the same project site. However, this request is for a piece of property that is totally separate and its size is probably equal to or greater than the London Bridge Beach as originally submitted. This is a very major change. Even though the Amendment says who can do it, it still has to be read in the context of the law that requires that these grants be competitive. For the Board to grant this Amendment, it still has to have been a project that has gone through the process or is so reasonably integral to that particular project. It really can't go that far from what was originally visioned. There was a Scope that was described, and the Board granted and entered into a contract based on that description for the London Bridge Beach. She does not see how it would be legal for the Board to grant the Amendment. Aside from that, she believes there are other people who would want to compete for this money. It is a fairness issue. If the Board were to do this, she believes it would encourage applicants in the future to overestimate the cost of their project. This is not an instance where the Board is asking someone to give money back. This is a reimbursement of costs for those things specified in the contract. It was very clear that the project was entitled, "London Bridge Beach".

Mr. Porter stated that he disagreed with Ms. Stewart's remarks. Going the other way would signal that there is no reason for them to be careful and wise stewards of their grants. While he doesn't disagree with what Ms. Stewart said, he noted that it appeared to him that LHC received mixed signals on this. When the subject came up with AORCC last March the response needed to be, "No, this is a separate project; it is not something we could amend. It needs to go through a separate study." That was not done. Staff suggested that it would be looked at and that perhaps it is something that could be amended. A 10% limit was not raised. It was not made clear perhaps because it is not so clear that it is a separate project. The distance is very small. No, it is not exactly part of the London Bridge Beach. It is part of an overall integral program. One could see how they fit together. He feels it is a logical extension of the same project simply to acquire additional land. The Board has amended projects to add land. He has a difficult time when mixed signals are given and there is no clear message with saying sorry, you should have been told something else. He believes there is a solid argument that this is an extension of the London Bridge Beach program.

Ms. Hilderbrand responded that the original grant application was for \$1.1 million. It was based on a 20% cap that is on this fund. It was waived later because the assessed market value came back much higher. The second request was for \$3 million. During



the September 2001 meeting this Board did the same things it did last month. The Board said the money is there; make it available.

Chairman Pfister asked how staff got from \$1.1 million to \$5.1 million.

Ms. Hilderbrand responded that the \$1.1 million was 20% of the available SLIF funds. At that time, the assessed market value came back much higher. The second number came back at about \$3.3 million, the lower end of the range, because that was what the assessed market value was. In September 2001 the Board said that no one really knew how much it would be and that the Board would make all the money (\$5.1 million) available for this project. They made up to \$5.1 million available to LHC to purchase London Bridge Beach.

Chairman Pfister asked why, if the assessed market value was \$3.3 million, the Board would go to \$5.1 million.

Mr. Travous responded that he would try to put this in context. When this grant was being considered (2001) the Board had a balance in SLIF. There was an applicant with a big project. He believes the signal staff received from the Board was that the money should be spent for its intended purposes. Staff got the signal from the Board to get the money out. Staff are still sympathetic. Staff are, after all, parks and recreation people. Body Beach is probably a good thing to do. If the mindset is that the money is there and if the signal is to get the money out, then staff would give the money to the city. That may be what happened. Other things have been done with LHC in the past. There was an easement that staff worked on with the city to find the original documents. Staff are sympathetic and still want to make this work at Body Beach.

Ms. Hernbrode referred to page 3-R in the Board Packet, which includes a breakdown of LHC plans to spend this money. The original London Bridge Beach contract was for the acquisition of a developed parcel. It was acquisition only. LHC is planning to spend a lot of money on facilities at Body Beach. This is for acquisition and development.

Mayor Whelan responded that the discussion appeared to be drifting away from what they consider to be the main point. They have been very responsive to doing things through proper channels. When the grant was made at \$5.1 million the state was looking at the possibility of those funds being swept. That might have entered into the decision to award the \$5.1 million. They have missed two cycles of funding where they could have applied for a new grant. They did that in good faith based on assurances they had received.

Chairman Pfister pointed out that the Board has not had cycles due to legislative raids on the funds. LHC did not miss any cycles.

Mayor Whelan stated that he believed that also leads to the point that if they can't have this Amendment, applying for SLIF money is not an option. LHC made commitments to ASLD that this money was available to complete the purchase. Unfortunately the Land Commissioner is not present at this meeting.

Chairman Pfister noted that the Land Commissioner has noted his support of this project to her.

Mayor Whelan added that the beachfront property is extremely crucial to the city. It is an area where they rely on tourism and rely very heavily on boaters. That is the purpose of all of this. If they miss a piece of their beachfront, it would mess up their trail system. These opportunities do not come up every day. When they do, the city has to be responsive and try to go for it. They have done everything they can to follow the system. They went forward in good faith based advice from the Executive Director and now they find themselves caught in a technicality. They have gone forward on a systematic basis to repurchase their beaches. They would have been in a different position had they had the kind of advice and information that the Board is probably hearing for the first time today.

Chairman Pfister noted it this is not the first time the Board has heard this. She noted that clearly LHC has been a big beneficiary of SLIF.

Mayor Whelan noted that LHC has also been a major contributor to the SLIF fund. He believes that if there is reciprocity they generate a lot of that income. They have a big tourism budget that is paid for by their funds. They spend a lot of money to get the boaters there. They are doing their part for lake recreation. He would like to refocus back on the procedural things that got the parties to this point. LHC did not receive proper advice from ASP staff. They were advised to do an Amendment and they did so.

Ms. Stewart pointed out that the parties should keep in mind that the Board would be at the same place because there have been no grant cycles for SLIF funds during those periods. It would not have been possible for LHC to submit an application.

Mr. Gonzales-Beechum asked how much money is being talked about.

Chairman Pfister responded it is \$1.5 million that is remaining. She noted that she had asked staff how much money Mohave County received. Mohave County has received \$23 million since 1990.

Mr. Hays stated he is sympathetic. It is a shame the Board is in this financial bind and do not have SLIF funding available to do this project. When money does come available they could be first in line for it.

Mayor Whelan noted that no one knows how long that will be. This project is in the center of their beachfront. It is a logical addition to their other parks. There are a lot of reasons the Board needs to do this. Just as with water issues in this state, when water becomes available one does not wait around but purchases it right away. It's the same situation LHC is experiencing with its beachfront. There is no way to know if or when there will be money in SLIF. When these lands become available they have to go forward with acquisition. They cannot do it without this grant.

Mr. Hays agreed. However, he noted that the Board needs to have the money available to give. He does not believe it will be available this year.

Chairman Pfister noted that last year the Board ran into problems because they had allocated grant money they later had to pull back. If the choice is between new projects or keeping existing operations going, people will do what they can to keep existing operations going. That is the economic reality everyone is facing.

Mr. Cordasco noted that the Mayor mentioned how unfair it would be not to support this request at this time. He's right. It would also be unfair to pass over people who have applied, and even those who would apply in the future. He asked what commitment ASP can make to LHC in the interim (short-term) to see what options exist to preserve that area.

Mr. Travous responded that staff are sympathetic. ASP cannot commit money, but staff can commit to trying to see if there are other ways to preserve this land. The fact of the matter is that if the Board does pass this Amendment, the money stays in the fund and becomes part of the budget discussion over the next few months. Two things could happen: the Board could put it into grant money in the future; it is sweepable.

Ms. Hilderbrand noted that even obligated funds are sweepable. ASP is required by law to evaluate, based on all the other projects. There are a lot of other projects that are eligible for this money. The reality is staff are arguing this is a different project. The contract that ASP signed and LHC signed clearly says it is for the acquisition of London Bridge Beach.

Mayor Whelan responded that when they had the discussion of how to proceed they did not take the contract to their attorney; they came back to the agency and asked for direction on how to proceed.

Chairman Pfister stated that she does have a concern as to how well the message was delivered.

Mr. Gonzales-Beechum noted that he is concerned that earlier discussions indicated that this project is an extension of a project but now it sounds like a totally different project. He asked if this is an extension of a project or a totally different project.

Ms. Hilderbrand responded that staff believe this is a completely different project because the project Scope of Work is acquisition of 18 acres of London Bridge Beach period. The piece now being discussed is non-adjacent piece of land with development into a park. By law, it needs to go through the competitive grant process and be evaluated against other applicants for this money. Staff are not saying whether or not this is a worthy project. It has not been evaluated in the grant process.

Mr. Gonzales-Beechum asked whether the money is already there. He noted that if the money comes back it could be raided. It seems like a great project. He is not comfortable that he has enough information to make a decision at this time.

Ms. Stewart stated she believes the Board still have to go back to the legality and fairness issue. She does not see how anyone can say this is part of the same project. She has looked at the file and original materials submitted. As has already been mentioned, this was for the acquisition of London Bridge Beach period. It was evaluated in competition with other applicants who applied at the same time. Now there is a request for a different beach and developing that beach and providing amenities. Development costs are substantial. That was never mentioned in the Scope of Work. Under the agency's definition of Scope of Work, there is just no way anyone can say this is part of the same project. It may be part of the same vision. Other entities have frequently applied for a project and their overall view of what they wanted to do in their effort was for the entire project but in the Board's definition of a project, the project was what they described and applied for. In order to amend it, it must be something

that is on that site and it has to be related to it. For the Board to then start talking about a deal and giving some kind of priority, it needs to be understood that if the Board can't do it now they can't do it later. The Board is required to have these projects go through a competitive process. All the Board can really say is to apply when there is another cycle. The applicants were provided with the appropriate materials. She doesn't know that anyone ever said, "You can do this and the Board will grant it," or anything like that. She thinks it's always been clear from the start that it would have to be approved by the Board. It was never clear until recently how much the project would cost.

Ms. Hilderbrand responded that the appraisal was received 30 days ago.

Ms. Stewart noted that 30 days is pretty recent. Until then there was no real idea of what was even being talked about.

Mr. Cordasco asked whether the appraisal included both beaches.

Ms. Hilderbrand responded that the appraisal was only for London Bridge Beach.

Mr. Cordasco asked why the appraisal was only for that parcel rather than all of them.

Ms. Hilderbrand responded that at the time of application that was the property being sought.

Mayor Whelan stated that in looking at the original map one didn't see all these other beaches because it was all ASP land. When ASLD got it they chopped it up into administrative areas. The names on these parcels and the reason the grant ended up being just one piece of the beach is because ASLD chopped it up that way and that's how they are presenting them for auction. In terms of their project, the project is not to acquire these individual parcels. That is just how they have to do it.

Chairman Pfister added that that is how it must be presented.

Mayor Whelan added that their project is really to reacquire the land that was traded.

Chairman Pfister noted that the Board is in much the same situation at the Verde River Greenway. They do exactly the same thing – the Board envisions acquiring it all but must do it one piece at a time.

Mayor Whelan noted that LHC will be spending many many many millions of dollars to reacquire their parks.

### **Board Action**

Ms. Stewart: I move that the Board deny the request to amend the Lake Havasu City London Bridge Beach Acquisition project to include Body Beach for the following reasons: it is a separate project that was not included in the original Scope and it did not go through the competitive process.

Mr. Cordasco seconded the motion.

Chairman Pfister noted that she is frustrated and feels that there was miscommunication. She feels very strongly that this is outside the scope. The fact that LHC felt they were told otherwise and had that misperception is some fault on our part for not being explicit. For future efforts, we must be very specific as to what is outside the scope. We live or die on these contracts. They are not technicalities; they are the

Board's legal contracts. What worries her tremendously is that staff have worked so hard to ensure they are competitive and fair. It is very hard for the Board to not fund good projects. While she wants to spend every dime available on good projects, she just feels this sets such a precedent and has implications far beyond what is in this one project. It is her hope that staff would go back, sit down with LHC, and figure out a way to try to make this work in a different format, whether it be in the form of a Growing Smarter grant, additional Land and Water Conservation Funds, etc. She asked that staff help LHC fill out a grant application and get this project going and work with ASLD to delay the auction if that's possible. The Land Commissioner may be amenable to that.

Mr. Hays noted that the vision is terrific and one that should be pursued. He would not want to discourage them from pursuing acquisition of all of the beachfront. They need to go through the grants process.

Chairman Pfister called for a vote on the Motion on the floor. The Motion carried with 5 Yeas and 1 Nay (Mr. Porter).

Mr. Porter noted that Chairman Taylor, of the Hopi Tribe, had arrived at the meeting and requested the Chairman to proceed to Agenda Item I.1. – Hopi MOU signing with Chairman Taylor.

Chairman Pfister moved to Agenda Item I.1.

## **I. PARKS**

### **1. Section report**

#### Hopi MOU Signing with Chairman Taylor

Chairman Pfister stated that the Board is honored to have Chairman Taylor present today.

Mr. Travous introduced Chairman Taylor, Hopi Tribe. He stated that staff have been working Chairman Taylor and his staff for more than a year on a way to partner with the Tribe on Homolovi Ruins Historic State Park (Homolovi). There is an MOU that staff would like the Board to sign. This is the beginning of a vision into the future of how ASP works with their partners.

Chairman Pfister noted that the Board approved this motion in concept last month.

Chairman Pfister and Chairman Taylor proceeded to a table and formally signed the MOU, as agreed to at the September 18, 2002 Parks Board meeting.

Chairman Pfister stated that the Board looks forward to making this a blossoming reality of activities and cultural cooperation. She wants to see a large cultural center there one day with a large gift shop.

Chairman Taylor stated that this is an exciting day for the Tribe. They are looking forward to a wonderful partnership with ASP and the Parks Board. It has been great getting to know the Board members. The Hopi have one of the longest authenticated histories of all the tribes. Homolovi has a great part in their history. There was concern about what was happening at the park. They want to partner with the State to see how they can help Homolovi grow. The Hopis have much to offer. ASP and the Parks

Board have much to offer the Tribe in return. He looks forward to developing that partnership.

Chairman Pfister called for a Recess at 10:20 a.m.

Chairman Pfister reconvened at 10:35 a.m.

#### **D. CONSENT AGENDA**

- 1. Approve Minutes of September 18, 2003 State Parks Board Meeting.**
- 2. Approve Executive Session Minutes of September 18, 2003 State Parks Board Meeting**
- 3. Consider Extending the Project End Date for Local, Regional, and State Parks (LRSP) Project #659904 – Multi-Purpose Recreation Facility – Staff**  
recommends extending the project end date by 12 months to October 15, 2004 for LRSP Heritage Fund Project #659904 - Multi-Purpose Recreation Facility. If the Arizona Outdoor Recreation Coordinating Commission (AORCC) does not reach unanimous concurrence on this item at its October 9<sup>th</sup> meeting, it will be removed from the Parks Board consent agenda.

Mr. Porter made a Motion to approve the Consent Agenda. Mr. Hays seconded the Motion. The Motion carried unanimously with Mr. Cordasco absent from the room.

#### **E. DIRECTOR'S REPORT**

##### **1. Big Room Opening Update**

Mr. Travous reported that more than 300 invitations are being sent out with staff expecting 400-500 people attending the November 6 Grand Opening event. The Governor will be there from 1:00-3:00 p.m. The event will begin at 4:00 a.m. with satellite dishes arriving and live reports to the East Coast. The Board is invited to come in the morning if they are able. Reporters will be looking for stories and interviews. Staff would like the Board to be there by 11:00 a.m. if possible. The Governor will arrive at Noon. Staff are planning a reception for the Board, Governor, and the Friends of Kartchner Caverns State Park (KCSP) Board before going into the crowd. The unveiling of Ed Mell's painting and the new plaque will be at 12:30-12:45 p.m. From there, everyone will move to the theater and the Governor and Parks Board Chairman will give remarks, followed by the chairman of the Friends of KCSP. Representatives from Frasassi (our "sister cave" in Italy) will also be present.

Mr. Travous added that Grand Opening shirts for staff have been ordered. This will be an informal affair that will include the Governor's remarks, the ribbon cutting, the Governor going through the cave with 5<sup>th</sup> grade students, and the Board following. There has been a lot of hard work done by a lot of people involved. This will basically be a day of celebration. Staff want the Board to be comfortable. This is a park setting and, as such, informal.

Mr. Travous reported that the schedule is that on Thursday the Governor and Board will be at the cave. Friday will be a day for the park to decompress. Saturday and Sunday will be for the Friends of KCSP and the Diamondback Charities. Tickets are on sale for Tuesday, November 11. The Lighting Director, Mr. Frank Florentine, has been

to the cave. The computer became corrupted and shut down lights on the other side when it was started up after being shut down for several months.

Mr. Travous added that there were some personnel problems that will probably be in the news media within the next few days. Sixteen new employees will have been hired. He noted that he spoke with a visitor to the Throne Room who described his wife and sister breaking down in tears after their tour.

Chairman Pfister asked how many total employees are now at KCSP.

Mr. Ream responded that there are 60 employees. He added that some regions only have a total of 30 employees.

Mr. Travous added that there are almost as many employees at KCSP as there are in the central office.

Chairman Pfister asked if staff are happy with the Diamondback sales.

Mr. Ream responded that staff would have wished for a better response. Tickets were almost sold out a week ago. Overall, staff are happy with the results.

Ms. Stewart noted that she did not see any stories connected with the Diamondbacks.

Mr. Travous responded that the Diamondbacks did not generate any stories. The advertising was done during their games. He noted that last Saturday CNN shot a number of hours of video that will be run worldwide prior to the opening. The airtime will probably be about four minutes.

Ms. Stewart asked if staff know when the video will air.

Mr. Travous responded that staff do not have that information yet. Once it is known, the information will be E-mailed to the Board. Hard news stories will begin to build shortly.

Chairman Pfister asked if posters of Ed Mell's new painting will be available.

Mr. Travous responded that that is up to Aramark. Mr. Mell will be present at this opening. Aramark has a group that can print up a large number of posters and warehouse them. This certainly is a possibility. On Monday Mr. Mell and two Utah artists will be at KCSP and San Rafael. He suggested making Ed Mell ASP's official artist.

## **F. ADMINISTRATIVE SERVICES**

### **1. Section report – Budget Update**

Mr. Travous reported that Mr. Siegwarth was under the weather and could not be present at this meeting. He reported that he sent a letter to Marcel Benberou (Budget Analyst in the Governor's Office) regarding the budget. A copy of that letter was provided to the Parks Board

Mr. Travous reported that staff are receiving two messages: 1) they are looking at sweeping funds; and 2) the best staff can hope for is a *status quo* budget. Staff invited Mr. Benberou to come to the office and explain what *status quo* means. Staff reiterated some facts that are included in this letter. The Growing Smarter Interest of \$700,000

was footnoted but not replaced. They swept \$6.8 million this year. The Heritage Funds received is still a lot less than \$10 million. Interest rates are low. The agency does not hire because it knows the money may go away. Interest rates have dropped so much it caused a loss of \$1 million in interest. The OHV issue is not closed out. Staff received some bills from one of the applicants asking for money back. Those bills did not "pass muster" and would not stand in audit. Staff requested better information. Staff hope to get the problems resolved within the next few weeks. There may be \$400,000 less coming back. Staff must make up that loss because it was swept.

Mr. Travous added that the agency is very dependent on revenue from KCSP. In the first year, August 28 was the only day the tours were not sold out. That has now spread into September. Ticket sales have picked up.

Ms. Stewart noted that that was the timeframe of the gasoline problem in Phoenix.

Mr. Travous noted that more money needs to be placed into the Marketing fund somehow. The agency cannot continue to rely on the Public Information Officer and RAM staff to get hard stories all the time. There was a blitz on Labor Day weekend and the parks did fill up that weekend. The point needs to be made that if ASP is to act like a business then it needs the money to advertise its business.

Chairman Pfister suggested that perhaps opening the Big Room will help the Throne Room.

Mr. Cordasco asked whether the concessionaire contributes to marketing at KCSP.

Mr. Travous responded that that is not the case yet. They have talked about helping out. It is difficult to know where the agency will be because so much revenue comes at the end of the third quarter. Staff want to be an irritant now rather than a front page issue later on. SLIF is very vulnerable.

Mr. Travous stated that on the second page of his letter he noted that if the General Fund is going to remain at its reduced level there are five areas that need to be preserved. This letter can be used to show Senator Binder that there is a need for \$1.5 million of SLIF revenue for her constituency. If staff don't fight for specifics now, they are lost. The legislators do not care about 2005-2006. They care about now.

Chairman Pfister noted that the budget discussions have started.

Mr. Porter noted that when ASP got the supplemental appropriation following the park closures, the legislature said the Board could not close or reduce hours at parks. He asked if that was attached only to that appropriation or if it is still in force.

Mr. Travous responded that that requirement is now dead. It was tied to that appropriation.

## **G. PARTNERSHIPS AND EXTERNAL AFFAIRS**

### **1. Section report**



Potential Legislation for 2004 Session, which may include: Spur Cross, Archeology on Private Land, Archeology Advisory Commission Continuation, OHV Sticker Program, Non-Appropriated Fund for State Parks, Income Tax Check-Off for State Parks

Mr. Ziemann reported that there are a number of issues he sees coming in the upcoming session. Regarding Spur Cross, the original statute had a repealer date for acquisition of Spur Cross. It basically provided that if the conditions set forth were not met, this repealer kicked in. The current statute does not accurately reflect what actually occurred in the acquisition of Spur Cross. Many things changed, including the County's portion and the City's portion. The original statute provided that ASP will operate Spur Cross Ranch State Park. That, of course, changed. The new bill would more accurately reflect what really happened. It would be a technical bill and would reflect the Board's conservation easements over the property. It would be the agency's bill and staff would probably get Senator Binder and Representative O'Halleran to sponsor it or perhaps even the legislators from North Scottsdale.

Mr. Ziemann reported that the second bill is Archeology on Private Land. This is a bill that was dropped late last year. He recently met with Representative Gullett and a group of archeologists who are interested in this issue. Three tracks were discussed. The first would be a bill to amend the Growing Smarter legislation that deals with general plans. In addition to cities and counties considering open space, transportation corridors, and all kinds of other things, they would also have to consider cultural resources when creating their General Plans. It doesn't necessarily say that they have to excavate or preserve them all, but they would have to at least consider them. He clarified that this is not the Arizona Preserve Initiative; this is the planning portion of Growing Smarter.

Mr. Ziemann stated that the second track discussed would be to amend the Burial Law that was passed in 1991 to protect burial sites and funerary objects associated with burial sites on private land. The burial sites would continue to be protected but it would add "significant archeological sites on private land". The key is to define what a "significant archeological site" is.

Mr. Ziemann stated that the third track is to use some sort of tax incentive to encourage private property owners to look for these types of resources on their property.

Mr. Ziemann stated that this issue could result in two or three different bills working in concert.

Mr. Cordasco asked what is behind this effort.

Mr. Ziemann responded that the concern largely arises from the archeological community that a significant amount of archeology resources are being destroyed. His admonition to Representative Gullett and everyone else in room was that this cannot be done while arguing with the property rights constituency. The bill will need to be a widespread and all-encompassing effort. It will be an uphill battle. Unless the leadership is comfortable with the bill, it will not see the light of day.

Mr. Hays noted that this issue has been around since he was in the legislature. There must be "carrots" rather than "sticks" extended to landowners for it to be accepted.

Mr. Ziemann added that the key will be in defining “significant” and there will need to be incentives so the process doesn’t take a year.

Mr. Ziemann noted that the Archaeology Advisory Commission recently had its Sunset Hearing. The recommendation was to renew them for 10 years.

Mr. Ziemann reported that, regarding the Off Highway Vehicle (OHV) Sticker Program, Speaker Flake received a complaint that there was no funding for the OHV program. He received a phone call from a House Appropriations staff person that are looking at the possibility of running a bill where, rather than taking a percentage of the gasoline tax attributed to OHV funds, they do a “sticker” program. Part of that license fee would go to the Parks Board. His response was that so long as the agency is not responsible for licensing, the money would be welcomed. The problem is that the money would go into a fund and there would be no more protection for it than there is now.

Mr. Ziemann reported that the Non-Appropriated Funds for State Parks would help in managing the agency’s budget and whatever funds it has available. The Parks Board would decide what capital projects to do and what staff to hire. It would be much more desirable than having all of those funds appropriated by 90 people down the street. Staff consider it a great idea; passage of such a bill is extraordinarily unlikely. He does not know who would sponsor this bill. The legislators would see less control for themselves. They are looking to appropriate more and more money.

Chairman Pfister asked what the purpose of this bill is.

Mr. Ziemann responded that that it would make everyone’s life better. It would enable staff to make these budgets work.

Mr. Travous noted that JLBC’s staff indicated that they might be willing to take a look at this bill. The first battle last year was to not appropriate more money than the agency was going to make.

Mr. Ziemann asked if the Board wants staff to pursue this bill. Even if it won’t pass, if it can get a sponsor and be introduced it may be a positive thing in the future.

Chairman Pfister expressed her concern that it would give cause to “Board bashing”. She advised treading lightly on this.

Ms. Stewart stated that she felt it is too soon to pursue this type of a bill. She is not sure that the worst thing that could happen would be for the legislature to say, “No.” Especially with this legislature being so angry about the fact that they have such a negligible hold over the budget. She doesn’t think the legislature would see the Parks Board as being in the same position as they are. The Board essentially has very little control over the budget it receives. She believes this is something that would be brought up during better budget times.

Mr. Hays voiced his agreement. He stated that this is a futile effort and could have unforeseen negative consequences.

Mr. Ziemann stated staff have noted the Board’s position on this bill.

Mr. Ziemann stated, regarding the Income Tax check-Off for State Parks, that he has not spoken with Representative Graf. There is every indication from the last session that he will reintroduce the bill that died in the last session.

Mr. Ziemann added that the only other bill he could see that might come up is one dealing with the \$4 million from the Growing Smarter Open Space Reserve grant program.

#### Summary of the 2003 Arizona Watercraft Survey

Mr. Ziemann referred to page 8 in the Board Packet. He reported that the Watercraft Survey is conducted every three years and it determines the allocation of motor vehicle fuel taxes to SLIF. For the upcoming three years, the percentage has decreased by about 29%. This is typical of what staff see with every survey. Seemingly, this Watercraft Survey overcorrects itself every three years and results in a big bump and then a big drop, followed by a big bump and then another big drop. It has been that way since he's been with the agency. While it's troubling, staff anticipated the drop.

#### National Register Report

Mr. Ziemann reported that this Report was submitted to the Board last month; however, one nomination had been omitted because it was not finished. This report is for information only.

Chairman Pfister stated that if there is a need for Executive Session it will be moved to the end of the meeting.

### **I. PARKS**

Mr. Ream requested that the Board move to the Action Item.

#### **2. Board actions needed:**

- a. Consider recommending State Trails System Nominations – Staff** recommends the 24 trails listed in the first table for inclusion into the State Trails System. ASCOT concurred with a 16-0 vote on September 27, 2003. Staff does not recommend the 21 trails listed in the second table for inclusion into the State Trails System. ASCOT concurred with a 16-0 vote for all trails except the Oak Creek Vista Trail. ASCOT concurred that the Oak Creek Vista Trail not be recommended for inclusion in the State Trails System by a 14-2 vote on September 27, 2003.

Ms. McVay reported that 73 nominations were received for the State Trail System. This was an overwhelming number. Staff usually receive 10-15 nominations per year. After reviewing the nominations staff met with some of the applicants to discuss concerns with their nominations (the Towns of Oro Valley and Queen Creek). After speaking with the Town of Oro Valley, they opted to withdraw 25 of their nominations because they are in the very early stages of the process and most of these trails lacked access. They were encouraged to reapply when they are further along in their planning process. Additionally, two of their trails allowed for motorized use which automatically excludes them from the State Trail System. Staff also discovered that

three of the nominations from Oro Valley are already in the system. This left 45 trails to be considered.

Ms. McVay reported that ASCOT's Trails Nominations Subcommittee met on September 8 to discuss all of the nominations and to let the applicants know what the process was. The Subcommittee made their recommendations to the full ASCOT. She noted that the 24 trails recommended for inclusion into the State Trail System were included in the Board Packet.

Ms. McVay noted that 21 trails were not recommended. One reason for not recommending them falls under issues with urban trails. The issue with urban trails is determining where they fit in with the overall state trail system. It is not staff's intent to have every single neighborhood trails in the state trails system. While they are great amenities to the communities, they need to have a greater significance to the state.

### **Board Action**

Mr. Porter: I move the 24 trails listed in the first table be approved for inclusion into the State Trails System. I further move that the 21 trails listed in the second table not be approved for inclusion in to the State Trails System.

Mr. Hays seconded the motion.

Ms. Stewart stated that staff is doing a good job in getting out the word about the agency's programs.

Chairman Pfister called for a vote on the Motion on the floor. The Motion carried unanimously.

### **1. Section report**

#### **Tubac Presidio Report**

Ms. Lee Eseman, San Rafael, offered a slide presentation on Tubac Presidio Historic State Park (Tubac). Ms. Eseman reported that Tubac was ASP's first state park and was donated in 1958 by Frank and Olga Griffin. It was officially opened as a state park in 1963. She showed various views of the park.

Ms. Eseman reported that revenue in 2003 was \$29,300; the Gift Shop sales amounted to \$6,700. Attendance was 15,866, down because of the closure of the park.

Ms. Eseman reported that ADOT had a project in progress for the past two months that is now complete. It included changing a "Flying Y" intersection into a "T" intersection. She discussed various road improvements and buildings in the park, including the Rojas House and the restrooms.

Ms. Eseman reported that museum improvements have taken place. When the park was closed last year ASP staff used that time as an opportunity to revamp the museum. She noted that it would be a good thing to change the exhibits at all of our historic parks. She added that a ranching exhibit currently at San Rafael will be taken to Tubac during their busy season. Staff have done a wonderful job on the Tubac exhibit.

Ms. Eseman discussed partnerships at Tubac. The Chamber of Commerce has given strong support to the park. Many of the businesses give their customers a voucher to get into the park. When they give the park their voucher the park gives it back to the business who then pays the entrance fee. Tumacacori National Monument cooperates with events and helps with stabilization of buildings on both parks. The Tubac Historical Society pays for a large portion of Anza Days. The National Archaeological Conservancy purchased a historical site with Heritage Funds that they are considering donating back to the park. The Tubac Rotary sponsors large fundraising events at Tubac. The park gets the Special Event fees from the Rotary. The Community Foundation is new, but very supportive of the park and cooperate with a lot of the events.

Ms. Eseman noted that within a year or two the developer of an adjacent property (Tubac Barrio) will put a bridge across a wash that will provide access from their property to the park. This may encourage people to come to the park.

Ms. Eseman noted that St. Mary's is an active church next to the park. They recently installed a wall around their property because people thought that the Church was part of Tubac.

Ms. Eseman stated that the purpose of the park is to involve visitors with their past. They offer a wonderful program for schoolchildren. They come to the park for an entire school day – they dress in costume, they bring lunches like they would have had they attended school there, they have lessons like they would have had they attended school then. The teacher is dressed in costume. There is also a Jr. Ranger program available in the park.

Ms. Eseman discussed Anza Days. Juan Batista de Anza rode from Tubac with 400 people and established the Presidio at San Francisco. When he arrived in San Francisco he had more people than he started with. This trail ride is re-enacted every year. They ride from Tumacacori down the Anza Trail to Tubac in costume. Now that a fence encloses the park, all the activities take place within the park so visitors have to pay the entrance fee.

Ms. Stewart noted that it is a wonderful event that is very worthwhile.

#### Tombstone Courthouse Report

Mr. Art Austin, Park Manager, Tombstone Courthouse Historical State Park (Tombstone) offered a slide presentation. He noted that people don't come to Tombstone to see the park; they come to see the town. Staff, along with their partners, must devise new programs and events to bring people to the park.

Mr. Austin reported that while Tubac was ASP's first park, Tombstone was ASP's first operational state park.

Mr. Austin reported that Tombstone's purpose is to provide protection for all artifacts, both on display and in storage. The park also provides information to all who request it, even for commercial purposes. They may not be able to control what is in the public domain, but they can certainly try to protect what is inside as well as derive revenue

from these resources. The staff are all professionals to a fault. They do everything with white-glove perfection. They leave no fingerprints.

Mr. Austin reported that in its peak year of 1995 Tombstone experienced visitation of 106,390 (more than 900 people visited the resource in one day – far too many for the building). Presently visitation is down about 16%, while revenue is up. Last year the park made \$178,000 and spent \$170,000. The loss of the General Fund support means that he, through his partners, needs to develop more revenue-producing events. In order to do those events, more space is needed. New partnerships will be forged in order to accomplish the development of new events provided there is space to do them.

Mr. Austin noted that services that were previously free to the public must now require a fee –to generate revenue and to cover the cost of providing these things. Services include reproduction of photographs, commercial photography, use fees, copy fees, research fees – all of which are done by our counterparts in the real world.

Mr. Austin reported that the park is just 0.9 acre in size, including the parking lot. He referred to a property he would like the Board to consider purchasing. Its current market value is \$159,000. It is the only parcel close enough to the park that has the investment potential to be developed into a gated revenue-generating special event area. All special events must currently be held outside in the parking lot and includes closing Third Street. The park has been fairly good partners with the City of Tombstone in closing the street for park activities. However, it is only a matter of time before this stops. The town is dependent on its political structure and when there are favorable politicians in office things go well for the park. The property of interest is across the street to the southeast. It is probably the most acquirable land because of its close proximity to the park. There are some archaeological resources there. The gate is in the middle of a Southern Pacific abandoned right-of-way. The current owner is beginning to grade it, so there may not be many archaeological resources left to preserve. He is not looking at this from a historical standpoint; he is looking at it as a venue for special events and moving some things that are currently done in the historic building into buildings that could be turned into storage, workshops, a hazardous materials storage, and keep one or two of the apartments for special guests or special educational events. The property is roughly the size of a city block (300' X 300'). It is bordered by Third Street on the west and by the Helldorado operation on the east. The railroad right-of-way is on the north with a vacant property on the south.

Mr. Austin noted that this property was about \$35,000 five years ago before the owner died. Five years ago the agency was very involved with KCSP. When the owner died he left the park a bronze plaque. The present owner of the Silver Shaft spent several thousand dollars bringing in utility upgrades and making the apartments into the Silver Shaft Lodge, the only commercial business in that part of town. He has run their asking price by ASP's real estate staff, who agrees that this is the best of all the parcels that have been looked at in the immediate vicinity. It is mostly fenced. The park could exact a gate entry fee for some of the current special events. Their large shows are typically antique engine shows (held during Helldorado Days). He added that there are two other pieces of property that have buildings on them – one immediately adjacent to the parking lot (a modern Victorian built by a California couple that would be perfect as the office, a receiving lab, and exhibit development). There are opportunities there, but it

doesn't give much space for the antique-type car shows that the Friends group and park have partnered together on for 2004.

Mr. Austin reported that advertising for the 2004 event went out in September inviting 150 classic vintage car enthusiasts to Tombstone (i.e., the park). Five city streets will be closed for this event. The City has worked with staff and has issued the permits. Distribution of flyers for this event has begun. This event has been planned with little or no money except for money from Research and Marketing for printing of additional brochures.

Mr. Austin reported that their Friends group has been in operation for about two years. The President of the Friends group is also Council Member of Ward 3 in the City of Tombstone.

Mr. Austin stated that the Humanities Council has been a partner since 1998 and has provided funding through grants for the Arizona Territorial Justice Forum. There have been four-and-a-half extremely successful years with them.

Mr. Austin stated that the Tombstone Restoration Commission has been the park's longest unofficial partner. In 1959 they, in fact, authorized the State Parks Board to become the first operational staff of the park because they did not have the money to hire staff at that time. They had ownership of the building and controlled most of the collection. That all changed by 1960. ASP was able to hire one person to be the Monument Supervisor. It was interesting that in order for the Monument Supervisor to take a vacation he had to go into the community and hire people to watch the property.

Mr. Austin reported that he has spoken with a landowner who has committed to donate a 50' x 350' strip of land on which the Schieffelin Monument stands. This will be the park's newest acquisition. The landowner has been selling off his cattle and is getting ready to sell his land. The property is about 2.5 miles outside of Tombstone and is where Mr. Ed Schieffelin is buried. People today are still doing what they did 120 years ago – climbing or standing on Mr. Schieffelin's remains.

Mr. Austin reported that the Tucson Rod Association would like to do a show in May 2004 and would like space at the park for their show and a picnic. The park may derive revenue from the increased visitation. People may come to Tombstone to see the cars and see the Courthouse as well.

Mr. Austin discussed the Arizona Humanities Council fund of the Arizona Territorial Justice Forum. Historians are invited to become "students" in the presentation of two to four historical papers on a particular territorial law case. It is a three-hour program that generates CLE credits for attorneys. Staff are also working on cogent credits for judges throughout Arizona. It is much more interesting to come to the Tombstone Courthouse for a presentation on territorial law cases.

Mr. Austin stated in closing that as public servants we once were passive in what we sold; now we must be active in gaining market share to remain profitable but keep an eye on the bottom line. That is resource protection.

Kartchner Caverns 2003 Environmental and Research Report

Dr. Rick Toomey, Cave Resource Manager at KCSP, offered a slide overview of the Kartchner Caverns 2003 Environmental and Research Report. He noted that there were additional people he needed to thank who really contributed to this report and who contributed daily to the protection of KCSP. Those people were: the staff at KCSP, Dick Ferdon (Park Manager), Ginger Nolan (Cave Unit), Kelly Jackson (Discovery Center Unit), Jean Emery, Resources Management staff, Phoenix staff, and the Board's directives toward that direction.

Dr. Toomey reported that there are a number of environmental stations in the cave. The report focuses mainly on one in the Lower Throne Room, along the Rotunda/Throne tour route, the cul-de-sac station, and the Echo station. This year two of the older stations were reinstated, one farther away from development (to give better comparison) in Pirates Den and in the Pyramid Room. They were originally removed because they were past the mud. Having people go to them on a monthly basis would have had a negative impact on the cave. With today's technology allowing for data loggers, those stations can be reinstated with just yearly or twice-yearly visitation to retrieve their data without the impact to the cave.

Dr. Toomey reported that staff have observed environmental changes since last year's report. There is about a 3°-4° temperature change in the Lower Throne station. The humidity change is about 2% relative humidity. The big question is why. There are a number of possible causes. It is possible that these changes are an artifact of measuring; maybe the measuring techniques have been changed. Staff reject that possibility but it is something that must be considered. Other possibilities are regional climate (the drought is causing warming), added energy from lights and people, loss of water, interaction among these factors, or other factors. To determine which possibility is most likely, staff look at the various characteristics: the timing of the changes, the cave pattern of changes, comparison with other caves, comparison with surface, weather data, and other groundwater data. Because the cave is part of the shallow ground water system, data from other portions of the groundwater system have bearing as well.

Dr. Toomey reported that changes appear to have started at the end of 1996/beginning of 1997 and have continued to the present. As was seen in last year's report, this is a larger amount of change in the more developed areas. This suggests that it is development. This is where staff were last year with that report appearing to indicate development being the cause of the changes.

Dr. Toomey stated that staff have been able to get more data that, in some ways, complicates the picture. Staff have compiled comparative data from four caves (from Coronado National Forest), two of which are very small caves with large entrances that are not very comparable with Kartchner, but they happen to be just above Kartchner and give a signal right near the area. The other two are more extensive caves with a single entrance and, in the case of SP cave, are much more comparable to Kartchner. Both are very highly-decorated caves. They are farther away, south of Sierra Vista in the Huachuca Mountains. He referred to a number of graphs contained in the report. He noted that the larger amounts of change in Kartchner occur in the Throne Room and the least amount of change in Echo. The stations in the Whetstones show warming in



each of the caves. They are very small caves with large entrances. There is a 15° change in temperature from summer to winter. While they are not very comparable to Kartchner, they are in the area and show that small caves in the area are also showing warmth. The same thing is seen in the Huachucas. Both of those caves are at higher elevation than Kartchner and that is why their temperatures are lower than Kartchner's. However, both of those caves also show warming from 1990 to the present. The relative humidity data would be meaningless for the Whetstone caves given their large entrances. In the case of SP cave, there is comparable drying to Kartchner; in fact SP shows more drying than at Kartchner.

Dr. Toomey noted that, in looking at Kartchner and the SP records, there are some striking similarities in how the warming and the drying is occurring. When SP gets drier Kartchner gets dryer; when Kartchner cools off a bit, SP cools off a bit. This appears to show significant regional signals in the record. Clearly, the difference within the cave that is seen within Kartchner indicates that there is a significant developmental signal as well. It is being superimposed on or interacting with a very significant regional signal.

Dr. Toomey added that the groundwater levels are water levels being forced out at wells that are around the park. Some are hand-dug wells that were old ranching wells; they are not pumped wells. None of the fall has to do with the amount of water being used. They are not the San Pedro Aquifer. It is not a regional pumping issue. These are all very small aquifers. In the case of the one showing a severe drop in 1991, it was a well that was tested for possible use by the park. A pump test was conducted for 15 minutes that dropped the water level 10'. It took several months for that well to recover. These are very limited aquifers, but they are giving that shallow groundwater picture. All of these wells are 4'-6' lower than they were in 1989. They show a regional drying of the groundwater system. The drought indicator shows that in the 1980s this region was very wet; the 1990s were very dry, and it continues to be dry. The groundwater system is drying out in response to that.

Ms. Stewart asked if the use of wells on the surrounding lands would have a serious impact on the park.

Dr. Toomey responded that as far as staff understand the cave's hydrology, the cave itself is not in the same aquifer as the wells. The cave is in a limestone aquifer adjacent to those wells. It is not clear that any of those wells feed into the cave's aquifer or that the cave feeds into any of them. Staff do not see any interactions with any pumped wells in the area.

Ms. Stewart noted that had the Board not recently purchased the adjacent property it could have had a significant impact.

Dr. Toomey responded that that property does have water that is potentially contiguous with the cave's water. These particular wells are in a shallow granite wash around the cave.

Chairman Pfister noted that that reinforces why it was a good decision for the Board to purchase that land.

Mr. Travous asked when the baseline studies were started.

Dr. Toomey responded that the baseline studies began in the middle of 1989 through 1991. Although they do have some drought in them, they are coming during a time when the cave was storing the maximum water that it could. There are some problems with any baseline studies. They are wonderful while constraining. As conditions change, if one tries to maintain the baseline conditions one may be maintaining artificial conditions as the outside conditions change. A two-year study is wonderful – it's better than any other cave has had prior to being developed in this way; however it is not long-term study.

Dr. Toomey noted that when looking at the weather data from the outside weather station, warming is seen. Staff saw approximately 3° warming between 1989 and the present. Sierra Vista had about 3.5° of warming; Tombstone had about 1° of warming over that same time. In one sense, it is difficult to understand why the cave hasn't warmed even more than it has with the development. It certainly would be responding to regional warming as well. In one sense this is good news. We see changes, but many of them are attributable to outside forces and not to development. It also means we do not have control over them. In some ways it would be much nicer to be able to say, "Oh, no, it's all our development and if we simply retrofit X, Y, or Z we will be able to fix it." He is not at all saying development is not a factor, but development is one factor with the regional warming and there may be very strong interactions between them that are hard to "tease" out.

Dr. Toomey stated that staff continue to monitor and are trying to improve the monitoring at Kartchner. Staff are also trying to improve monitoring in regional caves by working with Ft. Huachuca, Coronado National Forest, and private groups. Staff will try to work with Game and Fish through a Heritage Fund grant. It won't be possible this year, but they are very enthusiastic about getting a line item in the IIAPM program to allow for this kind of regional monitoring project.

Dr. Toomey reported that a goal is to prevent the development from impacting the bats. It is important because the cave is a maternity colony where the bats have their young and because the bat guano is the base of the cave's ecosystem. A set of protocols has been adopted to ensure the Big Room is closed when the bats arrive and have it closed for them to use by not opening the Big Room too early. Staff continue to monitor the bat populations as well. The bat populations have been remarkably stable. This year there was a very good population that topped out at almost 1,800 bats in August when the babies began flying.

Dr. Toomey reported that staff have been working to determine the appropriate size of the Big Room tours and how many tours should be conducted daily. Another important issue is to ensure there are enough volunteers and paid staff to ensure the tours have trailing guides. Trailing guides are important because they help protect the cave, they help in terms of emergency response should someone go down or become ill in the cave and need to be removed, or if someone needs assistance. They help improve the visitor's experience and interpretation by giving the visitors another point of contact. It improves visitor safety by ensuring people don't bump their heads or warn them of slick areas in the trail. They make the guides' jobs easier. Generally, this has

worked well. However, an average of 20% of the tours currently go out un-trailed. That is an acceptable amount for the Rotunda/Throne tours. As many of the Board members know, it will be a dangerous amount in the Big Room. Staff have been working with volunteer coordinators to attempt to increase the volunteer numbers and make sure there are enough staff and volunteers to protect the Big Room.

Dr. Toomey reported there is good news on “touches”. One of the Rangers helped to assemble data from the red flag reports. Amazingly, there are very few people who end up touching something accidentally. Most of those touches occur on the curb. Many of the incidents listed in the report are for things such as leaning on the laid rock wall. Very few touches are actually of people accidentally touching formations. Staff do not see many people maliciously trying to touch formations.

Ms. Stewart asked what staff are going to do in the Big Room. It is quite different in terms of the temptation to touch the formations. There are several places where someone could inadvertently bump them. She noted that she had never felt the temptation to touch formations in the Throne Room; however, she had to keep reminding herself in the Big Room to keep her hands down. The formations are right there. There are pieces of formations that reminded her of the Petrified Forest years ago when there were pieces all around and now the ground is bare.

Dr. Toomey responded that staff are working on a number of things in that regard. They have specifically been working on training for both the Lead Guide and Trailer to identify those places to ensure the Trailers and Lead Guides know where there are areas that are particularly problematic and they have to be sure the visitors don’t get too close. Monitoring will be put in place to see where the problems are and what can be done.

Ms. Stewart suggested putting up signs warning people that it is a misdemeanor to touch the formations.

Dr. Toomey responded that he understands that thought. It has some merit. Staff are trying to instill a sense of stewardship rather using a stick in the beginning. Occasionally there have been tour guides who have gotten tough on the “do not touch” message. Staff are trying to balance the message and not be too heavy handed.

Chairman Pfister noted that that has worked in the Throne Room.

Dr. Toomey added that signs are an option that can be considered if the current method is not working.

Mr. Porter noted that he had the same kind of feeling Ms. Stewart described of wanting to touch and had to concentrate on keeping his hands down. It is a reflex action – the formations are right there.

Dr. Toomey responded that he does not take the Board members’ concerns in this area at all lightly. These concerns have kept staff awake nights trying to contemplate how to better protect the formations. Staff recognize this concern and it was one of the primary reasons for the recommendation of 15 people rather than 20 on a tour.

Dr. Toomey reported that another concern with developed caves is lint from people's clothing. Staff have installed a misting system to moisten clothing to try to keep some of the lint on. Visitors were enthusiastic about it when it was installed. Staff have also installed an air curtain at the portal entrance in an attempt to "air wash" some of the loose dust off of people. Lint monitoring is being set up in the Big Room in order to get a baseline.

Dr. Toomey reported a new species of beetle was discovered in the light boxes in the tunnel of the cave last year during the summer. At first staff thought they might be termites. He referred to a slide showing the beetle surrounded by President Eisenhower's ear on a dime. They are very small beetles. Several of these beetles were taken to the University of Arizona (UA) where they were identified as a beetle, possibly of the genus *stamnoderus*, an eastern genus of beetles. Some beetles were then sent to the Field Museum where it was confirmed that they are indeed *stamnoderus* and that it is a new species. There is another new species waiting to be described from the Chiricahua Mountains as well. This is the second new species of *stamnoderus* to be found in Arizona in the last 10 years. Staff do not know whether they are a surface species that is using the tunnel because of its moisture or whether it is a cave species that was not identified in initial studies. Eventually these beetles will be described. It is not uncommon to find new species of insects because they have been so poorly studied and there are so few experts who work on them. They will probably be described five years from now and given a name.

Dr. Toomey reported that there have been a number of ongoing projects, including surface and cave geology. Some of this has grown out of the need to know more about it. The Geological Survey has been surveying in the area. Staff continue to monitor Radon and CO<sub>2</sub>. Staff continue to look at the microbiology of the cave. Staff continue to work with the UA in a number of areas. Staff continue to work on instruments and algae, other endangered species and bat studies with the Desert Museum, and development of GIS data for the cave, park and area. Staff have also been modifying the Radon program for Big Room tours in terms of where to monitor, developing protocols for the small creatures that wander in the guano, and they continue to work with other agencies on approving caves, protection, monitoring, solidifying the relationship with the UA for research.

Chairman Pfister asked if the question of the cave drying would be answered.

Dr. Toomey responded that it is definitely a concern. It is a problem. Large portions of that problem appear to derive from things staff have no control over (regional, climate) and that are occurring at other caves. That doesn't necessarily mean staff are happy about it. Staff are looking for ways to reduce the effects development may be having directly or the interactive affects between development and region so that they have the most natural response to the problem as possible. He does not believe staff want to get to artificial conditions. That would be dangerous as well. To try to go from protection, conservation, and preserving natural functions to active management causes more and more unintended consequences where things don't work the way one thinks they do. They try as much as possible to keep Mother Nature working on it in its own way and protect that. Once one starts trying to do that work for Mother Nature, problems begin to arise. Philosophically, is staff's job to preserve unimpeded? Does that mean it

always has to look the same way whether or not that means ecology is functioning. Or, does it mean the ecology should function right even if it means that sometimes the grand vistas don't look the way they did 50 years ago. Whenever one steps into that active management issue it becomes a choice of artificially keeping a vista looking the same way but the eco system supporting it falls apart.

Chairman Pfister asked if there is enough monitoring to have a good handle on what is happening.

Dr. Toomey responded that staff continue to try to add better monitoring both at KCSP and at other caves to get a better regional picture. That will have value not only for ASP but on a larger scale. There are implications for the agency's management as well as implications for management of other caves. It may end up having implications in various bat species. It could have implications for understanding warming and general climate response. As monitoring is conducted at caves at 10,000' and 3,000' and 3,500' staff can look at whether the eco systems in Arizona at high elevations are warming faster than the eco systems at low elevations, or vice versa. It may assist in work with general climate questions. Staff are trying to build better monitoring and more extensive monitoring and more inclusive monitoring.

Mr. Gonzales-Beechum asked what the breakdown of the tour groups in the Big Room will be.

Dr. Toomey responded that the group size will be 15. There is no sliding scale regarding how many of that group can be children. No children under the age of 6 will be allowed in the Big Room. There is a limit on how many adults must chaperone each child.

Mr. Gonzales-Beechum asked for a breakdown on the "touches".

Dr. Toomey responded that the data can be broken down by age and sex and even by which guide flagged it as well as where in the cave it occurred.

Mr. Travous noted that Dr. Toomey is the envy of other cave managers across the country. This report needs to be sent around the world. It will keep KCSP the best-developed and best-managed cave in the world. This agency has a responsibility to disseminate this information and share it with others.

Mr. Porter suggested distributing this report to the legislature.

#### Historic Resources Committee Report

Ms. Hartle reported that the historic park managers met six months ago and formed a committee to address the needs and concerns of historic parks. At their second meeting they created this committee, which is represented by two Park Managers from each region and several staff from other areas in the agency. Eight historic parks are being addressed. This committee recognizes that most, if not all, of the parks have historic resources of some kind.

Ms. Hartle reported that some concerns the committee identified include a system-wide resource deterioration, artifact storage, specialized positions, additional funding for

training, improved revenue through increased visitation, and individualized park needs.

Ms. Stewart asked what the committee felt was system-wide resource deterioration.

Ms. Hartle responded that some of the buildings (i.e., McFarland) throughout the system are cracking and need restabilization. This is a major issue that needs to be addressed quickly so that these park buildings are not lost.

Mr. Travous noted that the agency has been putting a lot of money into historic resources. However, these buildings are getting older.

Chairman Pfister noted that this is an example of the importance of partnerships with local communities.

Ms. Hartle reported that the Vision Statement the committee put together is: Arizona State Parks Historic Resources Committee shall advocate preservation and interpretation of Arizona State Parks' rare and unique cultural resources for future generations through partnerships and a well-funded historic resource management and capital development program.

Mr. Austin added that these buildings are not getting any younger. The agency must quickly address anything that affects the structure of these buildings.

Mr. Cordasco asked what the difference is between ASP and the Historic Society.

Mr. Porter responded that there is very little difference. ASP and the Arizona Historic Society (AHS) held a joint meeting in Tombstone last year. A lot of good things have come from that. There is discussion to get the two groups to work together in areas of commonality. The same thing applies to Charlotte Hall, another state agency.

Mr. Cordasco asked what the similarities in funding are.

Mr. Porter responded that money-wise and budget-wise ASP is the higher-funded agency. Both agencies share the same problems. It is all that more important to eliminate the overlap. One major difference between AHS and ASP is ASP's heavy penetration in the outlands (rural areas). AHS has nothing much in the rural areas whereas ASP has nothing in Maricopa County and only one or two in Pima County. Eventually some of these lines can be straightened out with less overlap, allowing both agencies to more effectively manage their budgets.

Ms. Hartle reported that the committee's Mission Statement is: The Arizona State Parks Historic Resources Committee is dedicated to addressing the unique needs of state parks with historical resources and serves as a resource to historic parks, the agency, and our partners.

Ms. Hartle reported that the committee's goals include development of creative solutions to problems, elevate historic park values to reduce likelihood of closures, facilitate and fund new training opportunities, develop partnerships with local communities, and hire historic park specialists.

Mr. Porter noted that the Board needs to be careful with the last item. AHS has a lot of specialists on staff who would be happy to assist ASP in an advisory capacity rather than have ASP hire staff to duplicate their existing positions. They are already there. There are two or three properties owned by AHS that could easily fall under ASP, just as ASP has several properties that could just as easily fall under AHS because of how they handle the system and how they were arbitrarily given to ASP or AHS.

Ms. Stewart noted that it is sometimes difficult or impossible to “borrow” a curator.

Mr. Porter responded that he could see AHS eventually designing and putting displays together by for ASP. AHS does that professionally.

Mr. Austin stated that the Arizona Humanities Council featured the Tombstone Courthouse as the best example of small museums. They sent his predecessor to professional training programs to find professional exhibits. The hiring of a Historic Park Specialist is very important. In the past he established the means to train high quality and high caliber professionals for training programs. The agency had fine training programs for \$60.

Mr. Porter responded that his was not trying to denigrate that. He has been to the Courthouse and he has seen the exhibits. There are, however, people working at other state agencies that could improve on current displays as well as add things to existing displays. AHS has artifacts that could greatly improve the Courthouse exhibit.

Mr. Gonzales-Beechum stated he sees this as a Parks and Recreation and Boys and Girls Club relationship. In all honesty, there are differences as well as likenesses. The focus is the same and the groups work together and can trade resources. It seems that that is what needs to happen between ASP and AHS. The key issue is working together and sharing resources.

Ms. Hartle reported that the committee’s first year objectives included: identify historic parks’ needs and issues, research alternative funding sources, set standards for handling historic artifacts, communicate with other agencies’ staff, set year-long meeting schedule, identify training needs, create outside partnerships, educate the public on the value of historic parks, and hire a Historic Parks Specialist.

Ms. Hartle reported that there is a new position that is being created. It will be a Museum Preparer II, a Grade 19. It will be a limited position for three years. The committee would like this position to work on the eight historic parks. This position will be responsible for designing exhibits, overseeing vendor exhibit construction, will have knowledge of curation, manage projects, etc.

Ms. Hartle reported that the Historic Resources Committee will develop first-year measurable goals, budget, staffing, and an evaluation procedure. Their next meeting is scheduled for November 18 at the Tempe Historical Society.

### Fee Philosophy Report

Ms. Hawks also offered a slide presentation. She distributed a copy of the work product of the contractor who was hired 18 months ago to the Board. She reported that

the Fee Team included a good cross-section of the agency, including Public Information Office, Research and Marketing, Admin, and Operations. The team hoped to accomplish the Pricing Philosophy when they started out. The Executive Director has stated at many meetings that revenue is not the agency's goal. It is a tool to help the agency achieve its Mission. The Mission is really why staff are here. The agency needs a Fee Philosophy that will allow fees to be charged that will allow ASP to operate and maintain its parks without appearing to be gouging the public or charging unreasonable fees. An outside contractor, Greenplay, was hired.

Ms. Hawks referred to a slide that showed the model that Greenplay used. It is based on "Who Plays Pays". The Community Benefit, at the bottom of the pyramid, essentially includes those things that the team felt the agency should simply provide either free or at a nominal charge (i.e. just keeping the park open). Moving up the pyramid, the benefits go from more community-based to more individual-based. The next level from the bottom is Mostly Community Benefit but some individual benefit (i.e., Ranger-led interpretive programs). The next level is a more Individual Benefit but also benefits the community somehow (i.e., computerized reservation system). The Highly Individual Benefit includes things such as specialized classes or skiing. A good example is the Mountain Biking Class at Deadhorse Ranch State Park. The participants get into the park free, but they pay a \$25 fee for the class. The Mostly Individual Benefit (top of the pyramid) would be the profit centers. This is something that people are really willing to spend money on. Gift shops, cabins, yurts, etc., fit into that category. Weddings, skiing, and movie productions could also fit into that category.

Mr. Porter noted that Lake Havasu State Park would appear to be 99.99% highly individual.

Mr. Ream responded that staff have gone beyond that. The proposed fees will be brought before the Board in the near future. Staff will explain how those fees were determined. It took four hours to arrive at a fee structure just for Lake Havasu. It was quite extensive. Everyone had a different idea of what the various terms meant.

Ms. Hawks reported that when Greenplay was brought in staff were talking about how to determine what each category meant, what market was in each area, why this whole process was necessary. One of the benefits of having a Pricing Philosophy is that it allowed staff to get a significant amount of the agency involved in the process. Everyone got a real education. It was an eye-opener to hear the various items that Park Managers considered as belonging at the bottom of the pyramid. Once the team was finished, they had a consensus. The process was important because the Park Managers and Assistant Park Managers will have to go back out and explain it to their staffs. Their staffs and volunteers will be the ones who will have to explain it to the park visitors coming in. It was a great process to take everyone through. Now, at least from Assistant Park Managers on up everyone is talking the same language when discussing fees. Once the policy comes on board, if someone starts a new project or program it will not be necessary to get the entire Fee Team together to decide on the fee. The price will be based on what is charged for similar programs in other parks.



Ms. Hawks noted that KCSP is really the only fee schedule that has been run through this pyramid with approved fees. She reviewed the fees charged in 2002 and the fees the Board approved several months ago.

Ms. Hawks reported that the Fee Philosophy is surprisingly simple: To provide a quality sustainable state park system for this and future generations, Arizona State Parks will collect fair and equitable fees to augment other revenues. She believes that when the Board sees the fee schedule that staff will bring forward in the spring it will be apparent how that simple sentence has some far-reaching implications.

Mr. Travous noted that the Diamondbacks are going to variable fees for their games.

#### Watchable Wildlife Report

Ms. Hawks reported that Watchable Wildlife was brought to Project 11 just over a year ago. It is a non-profit organization dedicated to helping local communities recognize the economic potential of nature-related recreation while still taking care of the conservation of native plants and animals and keeping them in their natural habitats. Staff believe this program will benefit ASP in other ways. Staff want to use it to engage park visitors and associated marine activities. Staff hope it will increase public support for wildlife habitat acquisition and protection. She believes it will appeal to all economic segments of the agency's constituency.

Ms. Hawks distributed a copy of a page from a report that was done for the Arizona Game and Fish Commission in May 2003. She has the entire report available for reading. The bottom line of the report is that the total economic impact of Watchable Wildlife in Arizona was estimated at \$1.5 billion for 2001. That's a lot of bird watchers. There is also a significant interest in big game, large predators, fish, reptiles, and amphibians. Staff like it because not only will it have an economic benefit, but it is fun, educational, and incorporates ethical behavior. Staff believe it is a good thing for ASP. Long-term goals include training for staff. There are grants available to the agency through Game and Fish for this program. This program will be integrated into the gift shop. This looks like a promising program.

Ms. Stewart stated she had an opportunity to go to the presentation Mr. Baldwin, Game and Fish Commission, did. It struck her that Game and Fish are having to reinvent themselves. In the future there will be more people viewing wildlife than hunting. It builds public support for the agency. She added that people seem to support Game and Fish more than ASP and know more about them. It's a wildlife thing. She had been involved with an organization similar to United Way. During a fundraising event, everyone seemed to flock to any agency that had a tie of any sort to animals to make donations. The rest of the organizations were left handing out their materials. She believes it is something that doesn't cost the agency much. Things such as the "lizard walks" at the Arboretum are very popular. Now is the time to partner more with Game and Fish. Not only do they have these grant programs, but they are getting a lot of money from gaming. There are ways that ASP can help them spend it. They have a lot of programs whereas ASP has a lot of resources. They lack facilities for their programs.

West Nile Virus Public Information Bulletin

Mr. Porter noted that this item was placed on the Agenda at his request. He recently was at Roper Lake State Park (Roper) and had a wonderful tour of the park. Everywhere they went he saw the posted signs about West Nile Virus. The pattern of this disease is when it first hits a state there are a low number of deaths (3-5) during the first year. The second year, the number rises (to anywhere from 60-70). This year it crept into eastern Arizona and resulted in one death. Next year it will hit western Arizona and be mild. However, eastern Arizona will have a lot of deaths. He wants to ensure that the Board is alerted to the problem. One year from now the agency may be reeling if there are a lot of deaths traced back to parks. It is not possible to stop the disease. We need to be sensitive to it and be ready to deal with it.

Mr. Ream responded that staff have been proactive on this issue. In 2002 ASP was part of a program to identify what staff would do if they found dead birds and how staff would freeze them and send them out for testing. Officials were invited into Roper to perform testing. There is an educational program with an emphasis on West Nile. Staff are working with the County Health Department. That is about all that can be done just now.

Mr. Porter responded that if it becomes a problem the Board will be asked pointed questions as to whether it did everything it could and whether or not the agency was prepared.

Sonoita Creek

Mr. Ream reported that staff are planning an event in November in conjunction with the Board meeting. Everything will be done on the day of that board meeting. As information is available, it will be sent to the Board.

Mabery Easement Dispute Litigation

Ms. Hernbrode stated that unless the Board had any questions of a legal nature, there would be no need for an Executive Session on this item.

Ms. Hernbrode reported that the Maberys did file a Motion regarding the amount of damages they want regarding the Reservation of Rights. Responses are due tomorrow. Mr. Jim Morrow, of the Liability Management Section of the Attorney General's Office, has been brought on board to assist the Board's attorneys on this issue. Mr. Morrow is acting in an advisory capacity much as Mr. Joe Acosta did in the recent condemnation issue.

Whetstone Springs Condemnation

Ms. Hernbrode reported that Mr. Graves and his attorneys cannot agree on language for Settlement yet.

**J. BOARD COMMENTS, REQUESTS AND ITEMS FOR FUTURE AGENDAS**

Ms. Stewart requested that staff provide the Board with a written status report on the OHV Grants that were suspended at the next meeting regardless of the completeness of information on the federal entities.

Ms. Stewart requested an update on the Arboretum in the next couple of meetings.

Ms. Stewart requested that, as meeting sites are being selected, a joint meeting with the Game and Fish Commission be considered.

Ms. Stewart noted that when the Board met in Winslow there was a discussion on communication problems within the agency. A number of Board members were concerned about that situation. She requested an update on where things stand and what will be done during the next year regarding the Employee Survey.

Mr. Travous responded that the Employee Survey has been revamped and that staff will report on that survey at the November meeting.

Ms. Stewart stated that she hoped there would be an opportunity to hear more from the employees.

Mr. Cordasco requested that at a future Board meeting there be a discussion about natural resource stewardship programs within the state parks and as an opportunity as a resource for ASLD.

#### **K. TIME AND PLACE OF NEXT MEETING**

Chairman Pfister stated that the next Parks Board meeting will be held in Rio Rico November 20, 2003 and that there will be a planning meeting on December 3 in Phoenix.

#### **L. ADJOURNMENT**

There being no further business to come before the Board, Mr. Hays made a motion to adjourn. Mr. Cordasco seconded the motion. The Motion carried unanimously. Chairman Pfister adjourned the meeting at 1:35 p.m.

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Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the ADA Coordinator, Nicole Armstrong-Best, (602) 542-7152; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

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Kenneth E. Travous, Executive Director

APPROVED

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Suzanne Pfister, Chairman